

TESTIMONY OF

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Secretary

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BEFORE THE  
HOUSE VETERANS AFFAIRS COMMITTEE

PUBLIC LAW 107-95  
COMPREHENSIVE VETERANS HOMELESS ASSISTANCE ACT OF 2001

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Mr. Chairman, members of the Committee, I appreciate this opportunity to testify and comment on the status of homeless veterans programs and the implementation of legislation that will improve these programs.

As the State of Wisconsin Secretary of Veterans Affairs, I have been directly involved in the homeless veteran issue for the past ten years. We have used state government in Wisconsin to establish a system of support and assistance to homeless veterans that is well known across the nation. Our model is part of Governor Scott McCallum's vision for building the future of our state by investing in its people. This vision is focused on economic development goals that include investment in education, job training, health care and housing. These are also key components for any program to succeed in helping veterans to break the chain of homelessness and unemployment.

I have served as Vice President of the National Coalition for Homeless Veterans and President of the National Association of State Directors of Veterans Affairs. I was also appointed by Secretary Principi to serve on the newly established Advisory Committee on Homeless Veterans. My personal journey to understand and deal with veterans' homelessness has been a unique learning experience. This is a complex issue that fell victim early on to stereotype thinking, which slowed progress for many years. Due to the stalwart advocacy efforts of people like the founders of the National Coalition for Homeless Veterans, we were able to achieve a state of public awareness and an evolution of policies that brought us to where we are today. The Comprehensive Veterans Homeless Assistance Act of 2001 was another major step forward.

Today we have best practice examples from coast-to-coast of programs that can end homelessness for veterans. I believe the time has come to build upon these successes and reach for a new level of capability. To do this we must create large increases in housing capacity. The Veterans Transitional Housing Opportunity Act of 1997 is a vehicle that could jump start the expansion of the housing supply but unfortunately, it has not been implemented.

I want to tell you about an example of what could be happening in high need areas across the country if the VA loan guarantee program was in operation. In Wisconsin we accomplished something very similar to what the federal legislation provides by using state funds to secure a loan made by a bank to a community-based, not-for-profit organization for the purchase of property for veterans' transitional housing.

We had a community based provider organization in our largest city, Milwaukee, who sought to expand capacity for support to homeless veterans. A vacant hospital building was for sale at an inner city location

that was ideally suited to become a 100 bed transitional housing facility. It is located one mile from a VA Medical Center. It was agreed that the county, the community organization and my agency would share a down payment on a loan to purchase the building. But due to the uncommon nature of the project and perceived risk, the lender would not make the loan without additional default security. Using state veterans' funds, which also happen to be in an invested account, we furnished the additional amount required to guarantee the loan. This was eight years ago. Since then, this facility has served more than 2,000 veterans and the non-profit provider has also received enough revenue and grant monies to liquidate the mortgage balance.

None of this would have been possible without our help. In most cases it will not happen elsewhere without this kind of help and that is why the VA loan guarantee program is so important. I don't know of any other new way the VA could have such a big impact on helping homeless veterans. I believe this concept reflects the kind of creativity needed to move us to the next level. It incorporates the diverse strengths of government, non-profits, and the private sector. It furthers an urgent social agenda with no additional cost to the taxpayer. This initiative makes sound economic and business sense. The legislation addresses a critical component of the process needed to transition homeless veterans back into the mainstream of society. That component is housing affordability.

Our program in Wisconsin provides the supportive services veterans need to end their homelessness. We have four separate transitional centers totaling 220 beds. Three of the sites are in rural locations. The primary strength of our model is that we require residents to work and to restore financial responsibility. Those who require treatment of rehabilitation due to substance abuse, mental disorder or other conditions that inhibit their ability to hold employment, are screened and referred to treatment by our on-site VA clinicians. The VA is a full-time partner in the program. Following treatment, or while receiving treatment if the condition is not debilitating, residents enter a rigorous daily schedule of employment, job training, and community service as they proceed through a phased process toward self sufficiency. When they complete this program, they leave with full employment, enough savings to begin a new life, and a manageable budget. Others who are unable to work and receive disability pensions also contribute to their upkeep. At the heart of our model is the belief that work is therapy. But an employed veteran can only acquire living accommodations that are available and affordable.

Collaboration between the USDVA, state government, community organizations and the private sector to end veterans' homelessness is a

model that has proven itself but we urgently need more capacity to expand. This is where we need help.

The legislation gave the USDVA the opportunity to expand its key role within the collaboration in a new way. With the authority to provide the financial guarantees necessary to assure the lending sector, the legislation enables a demonstration that will serve as a prototype for the full national effort we require.

We should no longer leave homeless veterans missing in action on the battlefields of society. We must do all we can to ensure they are brought back into the fold and certainly we must make full use of all the resources and the authority we have been given by the Congress to do the job.

Once again, I appreciate the opportunity to testify today. I would be happy to answer any questions you might have.